



Assessing Our Results

This chapter addresses the final element of EPA's planning, budgeting, analysis, and accountability process: our approach to evaluating and reporting progress towards goals and objectives. The accountability process will support Agency managers, the Administration, Congress, and the public in assessing our results and making informed decisions about the direction of the Agency's work.

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An effective accountability process not only provides feedback on the success of specific programs, but also introduces a higher level of integrity into planning and budgeting by holding managers responsible for performance. By analyzing actual performance and costs, the Agency can make better estimates so that planning and budgeting become more accurate and reliable. Using a business analogy, the accountability process provides a way for decision makers to determine return on public investments and weigh investment options.

The accountability process will involve annual program performance reports, longer-term assessments of progress towards strategic objectives, and program evaluations. Annual reports will track whether activities and short-term accomplishments take place as planned, documenting financial investments and results data in one report. The annual performance goals in the annual report specify how our longer-term objectives are expressed in the day-to-day activities of our programs. Annual performance goals are expressed in terms that allow comparisons between planned and actual performance. Over time, we will assess how much cleaner the air, water, and land are becoming, and how much risks to human health and ecosystems are being reduced. Program evaluations will provide a detailed examination of relationships between activities and results for a given program. This will help EPA to document strategies that have worked well or, if timely progress is not being made, to analyze what is not occurring as expected and decide how we may need to change strategies.

What Will Be Accomplished

EPA will implement a prototype of an integrated planning, budgeting, analysis, and accountability system in FY 1999. The Agency will produce its initial performance report in March 2000.

Strategies for Meeting the Above Accomplishment

- *We will work with internal and external stakeholders to design the accountability system.*
- *The design will identify/incorporate linkages to other Agency accountability efforts.*
- *We will rely, as much as possible, on existing sources of environmental data and determine whether the data are adequate to evaluate program effectiveness.*
- *In evaluating programs, we will explore ways to incorporate risk reduction and consideration of costs into setting Agency priorities.*
- *We will continuously foster development of outcome oriented performance measures.*
- *EPA will include external assessments of Agency efforts to better inform our self-evaluations.*



Performance Measures

The key to EPA's accountability system will be developing sound performance measures: results or activities we will track to determine whether we are making timely progress towards our objectives. The objectives vary in the types of outcomes they address. Most focus on environmental results, but some address activities and services, such as improving cost effectiveness and customer focus in providing assistance or information to the public, states, tribes, and local governments. A critical step will be to develop practical performance measures for all our strategic objectives.

There will be trade-offs in selecting the most cost-effective measures; for example, in obtaining accurate information on environmental results while avoiding unreasonable reporting burdens for states or regulated entities. In recent years, we have invested in better systems for collecting and analyzing environmental data, and more work is planned to provide the data needed to assess performance as required by GPRA.

Need for Performance Measures Along Continuum from Activities to Results

EPA and its partners will need various types of measures, ranging from tabulations of annual activities to reports on environmental quality and health and ecological effects. Environmental performance measures are often described as being arrayed along a “continuum,” from activity measures at one extreme to ultimate health and ecological effects at the other. The less expensive measures typically are activity measures and less direct

environmental indicators. The most direct indicators reveal more about environmental results, but can be expensive and technically difficult to collect.

Terminology for Performance Measures

Measures of actions taken by EPA are referred to here as “activity measures,” which correspond to “output” measures as defined in GPRA. Actions taken by others in response to EPA's activities are one type of “outcome” as defined in GPRA, and impacts on environmental quality, human health, and ecosystems are another type of “outcome.” EPA and state environmental agencies distinguish the two: activities of other entities in response to EPA are “program outcomes,” while measures of changes in environmental conditions are “environmental indicators.” Environmental indicators can be further categorized into less direct indicators—air, water, or terrestrial pollutant levels—and more direct indicators, such as human health effects or conditions of plant and animal life.

Developing Better Performance Measures

In general, we will be able to report immediately on the activities accomplished to support our objectives. Initially, we will be unable to report “outcome” measures for all objectives. For some objectives with environmental outcomes, this will require advances in environmental monitoring or data analysis. EPA, the states, other federal agencies, and academia have made significant efforts recently to catalog existing environmental data and fill data gaps to improve the national information base on environmental quality and impacts on health and ecosystems. This is a continuing process, and we will draw on the best measures available at the time.

To meet the obligation under GPRA, EPA is involved in ongoing efforts to develop information necessary to accurately evaluate Agency progress in achieving each of its strategic goals and objectives. The Agency is evaluating information resources relative to information needs and priorities at the national, regional, state, and community levels. Activities in this area include developing descriptive profiles and conducting peer reviewed statistical assessments of twenty-five national environmental databases maintained by EPA; developing an Agency-wide monitoring strategy to link future environmental monitoring with the Agency's strategic goals and objectives; and

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identifying, evaluating and implementing the most promising advanced environmental monitoring and information communication technologies.

Data gaps and data quality issues related to performance measures are being identified to guide federal, state, industry, academic and community investments in improving information. For example, the Executive Steering Committee for Information Resources Management has allocated funds for specific projects targeted at filling data gaps in program offices' abilities to report on "environmental results." Some individual program offices are investing in initiatives to improve collection and availability of environmental data.

EPA and its partners also need to develop further performance measures for objectives that lack direct environmental results. For such objectives, we will develop measures reflecting the important results or outcomes that are to be accomplished. These may address a wide range of factors, such as creating specified, quantifiable products, measures of customer satisfaction, quality of services provided, or timeliness of processes performed for customers, partners and the public.

Through the Agency's Planning, Budgeting, Analysis and Accountability process, the Agency will work with its partners to continuously evaluate the availability and quality of data to track progress in achieving EPA's strategic goals and objectives. The Planning, Budgeting, Analysis and Accountability process will enable the Agency to assess the practicality and feasibility of

collecting environmental data for strategic performance evaluation and make appropriate adjustments in monitoring and reporting strategies and performance goals.

Performance Measures Developed Jointly with the States/Tribes

EPA's national program priorities are reflected in the Headquarters/Regional memoranda of agreement (MOA). The MOAs contain commitments negotiated between headquarters and the regions, thereby establishing the scope of activities to be carried out. The regions, in turn, use the national priorities to align their negotiations with the states. As indicated earlier, state governments have primary responsibility for implementing most environmental programs. While some EPA responsibilities, such as preparing regulations and providing technical support, require work not directly linked to state activities, our success in meeting our objectives will depend largely on programs carried out by the states, tribes, and other partners in environmental protection.

To provide a common basis for tracking progress and establishing commitments between the states and EPA, the Agency joined forces with the Environmental Council of the States (ECOS) to establish the National Environmental Performance Partnership System (NEPPS). Under this system, EPA and the states negotiate overall goals and objectives to include identifying "core performance measures." These agreements will communicate the primary activity outputs, programmatic outcomes, and environmental outcomes expected from work under authorities delegated to the states by EPA. In addition, other state organizations will work with EPA to develop performance measures. Over time, as some environmental data become more widely available, EPA will continue efforts to decrease reporting on activities, and to increase the focus on environmental results. We expect "core measures" to be included in most state/EPA work plans and related agreements, unless special circumstances dictate otherwise. The Agency is also working to enhance partnerships with the tribes to address specific environmental and human health goals, objectives, and performance measures.

Reviews of Progress Towards Strategic Goals and Objectives

Annual Performance Reports

To support the accountability process, a variety of reports will provide performance and cost information to Agency managers, the Office of Management and Budget, Congress, and the public. The first will be the annual performance progress report for FY 1999. EPA will issue this initial report no later than March 31, 2000. It will document performance accomplishments compared to annual "performance goals" established in the Annual Performance Plan. The annual performance goals will be target levels for key performance measures that represent progress towards each strategic objective, resulting from investments made in FY 1999. The report will identify any cases where annual performance goals have not been met and explain the reasons why they have not been met. For example, performance goals may not have been reached due to unforeseen external events, or because incorrect assumptions were made about the effort needed for some tasks. The report will discuss any corrections or changes in approach needed to address failures to meet annual performance goals, and describe any actions already taken by EPA to get back on track.

Beginning with the FY 2000 annual report, all annual reports will include retrospective descriptions of performance results from previous years, until the FY 2002 and subsequent reports, which will present data for the three previous years.

Program Evaluation

In addition to annual performance reports, EPA will prepare periodic reports of progress towards our strategic goals and objectives. Since many of the strategic objectives set forth targets for measurable environmental results, we will analyze data and report on environmental status and trends. This will include trends in pollutant emissions. For the most part, the Agency will emphasize true environmental indicators: the amounts of air, water, and land sites in conditions that meet applicable environmental quality standards. When possible, we will also report the degrees to which human health or ecological conditions are being protected. In some cases, Agency Inspector General, General Accounting Office and management integrity findings will be considered in assessing program performance.

The reports of progress towards strategic objectives will show whether we are achieving intended results. For some programs, we will conduct intensive program evaluations to analyze relationships between activities being conducted and environmental results. Criteria for selecting programs to evaluate will include the importance of the environmental issues being addressed, and whether programs are on schedule to meet their objectives. If timely progress is being made, the evaluations will help show what is working and why. If not, we will examine the relationships among EPA, states, regulated entities, and others, and the changes in pollution emissions, other stresses, and ultimate environmental impacts of these stresses to determine why. Studies of cause and effect can be complex, and answers may not always be found. Detailed analyses may help us develop more effective approaches to reducing environmental impacts. In other cases, these analyses may result in new research to determine why assumptions about relationships between stresses and impacts did not prove accurate when pollution reduction or cleanup activities were put into practice, and to develop better approaches for the future.

Evaluations will look at different ways to meet objectives.

This will include:

- 1) examining the effectiveness of program actions and need for mid-course corrections;
- 2) assessing appropriateness of the environmental indicators used and determining whether advances in science have made better ones available;
- 3) identifying factors beyond our control that affect performance; and
- 4) determining whether target levels and times stated in the objective are reasonable.

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The results of program evaluations will influence annual performance plans for subsequent years. If performance goals need revision, new or modified performance goals will be designed and incorporated into the relevant annual plans, with associated modifications to performance measures as needed.

Integrating the Accountability System with Cost Accounting Standards

Two key activities in building a strong accountability system will be changes in how EPA structures its budget and the adoption of the recently issued Federal Accounting Standards Advisory Board's (FASAB's) cost accounting standard. To integrate management processes more fully, EPA will work closely with the Office of Management and Budget and Congress to develop a budget structure that parallels the goals and objectives identified in this strategic plan. This link between performance measures and resources will serve as the basis for annual performance reporting.

To comply with the FASAB standard, EPA's Chief Financial Officer will ensure that cost accounting is implemented to support EPA program managers and the public by producing information that is timely, useful, and accurate, and related directly to planning, accountability, and decision making. Cost information will be coordinated with the new planning and budgeting structure, and cost information will be integrated into accountability reports.

Internalizing GPRA Requirements within the Agency

Accountability for achieving results needs to permeate the organizational fabric of EPA, from top management to each staff employee. Management will aggressively communicate EPA's goals and objectives throughout the Agency to ensure that employees clearly recognize how they contribute to the Agency mission. Of equal importance, employees also will be held accountable for program results. To accomplish these ends, EPA will create direct linkages between its human resource activities and the achievement of the objectives in the Agency's Strategic Plan. For example, performance, awards, and recognition programs need to provide incentives to employees and reward groups and individuals who are having a discernible impact on the goals and objectives in the plan.

As the Agency continues to automate, streamline, and reengineer its procedures, the knowledge, skills, and abilities required by EPA employees to perform the Agency's work will change. Specialized recruitment and training, as well as process retooling, may be necessary in order to build and sustain a workforce capable of achieving the results envisioned in EPA's goals and objectives.

Coordination with Other Reporting Responsibilities

Where appropriate, EPA will integrate GPRA reporting with other reporting requirements. These include reports relating to financial management and fiscal integrity responsibilities, as well as other public information activities for financial, management, and accountability. EPA will provide comprehensive assessments of our financial investments and adherence to financial and management standards, when combined with reports of environmental outcomes accomplished.

Financial and Management Reporting

To the extent possible, EPA will integrate annual performance reports with financial accountability reporting, including requirements of the Chief Financial Officers Act, the Government Management Reform Act (GMRA), the Federal Managers Financial Integrity Act, the Federal Financial Management Improvement Act, the Inspector General Act, the Prompt Payment Act, and the Debt Collection Act, as well as the report on Civil Monetary Penalties. The goal will be to link performance and cost information more closely to provide the public and Congress with a snapshot of Agency operations. The final format for the combined reporting will be based on recommendations currently being developed by the Chief Financial Officers Council.

State of Environment Reports and Electronic Data Access

In addition to GPRA reports documenting the environmental outcomes of our programs, EPA will continue to provide the public with reports and electronic databases concerning the overall state of the environment. A number of such reports are produced by EPA under the Clean Air Act, Clean Water Act, and other legislation. In

recognition of the important responsibility to support public access to comprehensive environmental information, EPA has recently established a Center for Environmental Information and Statistics (CEIS).

CEIS plans to produce periodic State of Environment Reports as well as enhance electronic public access to EPA's data. Environmental databases are maintained for a variety of purposes throughout EPA. These functions will not be taken over by CEIS, nor will they be integrated into a single reporting system. However, under the accountability process, EPA will ensure that members of the public seeking access to EPA data will obtain it in formats readily interpreted by general users.